

CALIFORNIA HIGH-SPEED RAIL AUTHORITY MEETING MINUTES

**April 29, 1998
Hyatt Hotel San Jose - Airport
San Jose, CA**

OPENING REMARKS

Chairman Jordan called the meeting to order and welcomed the audience to the meeting. He stated that Members Epstein and Stapleton had conflicts with their schedule and could not attend the meeting. Chairman Jordan added that the Authority met in Executive (closed) session during the morning session to discuss the Executive Director position. Based upon on the closed session the Authority anticipates a further review of the candidates at the next Authority meeting on May 20th.

Chairman Jordan stated the second item for discussion, which in not on the agenda, was the informal committee of the Authority consisting of Chairman Jordan, Vice Chairman Graveline and Member Morshed has been working with Cambridge Systematics on timelines, plan of organizational work, and the organization of the Authority. He requested Vice Chairman Graveline and Member Morshed to continue to work with Cambridge Systematics to further review the assignment of the Chair, the duties of the chair, and any other issues relating to the Chair's role. He directed Vice-Chairman Graveline and Member Morshed to report back to the Authority at the May 20th public meeting regarding prospective changes in the role of the Chair and the position of the Chair.

MARCH 18TH & 19TH - MEETING MINUTE APPROVAL

Member Bates moved to approve the March 18th and 19th meeting minutes. Member Morshed seconded and the minutes were unanimously approved.

DATES AND LOCATIONS OF FUTURE AUTHORITY MEETINGS

Dan Leavitt, Interim Executive Director presented the schedule of monthly meeting dates and locations. Member Morshed stated it should be understood that the meeting dates and locations could be changed if the need occurs. Member Morshed moved to approve the schedule based on this understanding. Member Florez seconded. Member Fowler asked about meeting on the 19th of May in Executive (closed) session to conduct interviews for the Executive Director position. Chairman Jordan stated that this should be considered based on the number of interviews conducted for the Executive Director position. Member Morshed suggested May 19th be added to the meeting schedule with the understanding that May 19th might not be needed. Member Morshed moved to approve the revised schedule. Member Florez seconded and the revised schedule was unanimously approved.

PUBLIC OUTREACH PROGRAM

Chairman Jordan asked the sub-committee for the Public Outreach Program, Vice Chairman Graveline and Member Bates, to discuss the results of the Request for Proposal (RFP) evaluation and selection process. Vice Chairman Graveline stated that HSR had 80 requests for the RFP and received 8 proposals. He stated that he and Member Bates were not part of the evaluation team however they closely monitored the entire process. He added that the evaluation team consisted of Jackie Landsman from Senator Kopp's office, John Barna from Business,

Transportation and Housing Agency, Susan Dona from Caltrans and Dan Leavitt, Interim Executive Director. Vice Chairman Graveline explained both he and Member Bates received copies of all of the proposals for review. He stated that the evaluation team and the Authority's committee discussed all of the proposals via conference call at which time it was determined which teams would be invited to the oral interviews. The oral presentations took place in San Francisco both the Vice Chair and Member Bates were present and participated in the question and answer period of the presentation, the same questions were asked of each group. He stated that the recommendation of both he and Member Bates "echo's" the recommendation of the evaluation team. He recommended the team of Townsend, Raimundo, Besler & Usher/McNally Temple Associates, Inc.(TRB&U/MTA). Vice Chairman Graveline added that he emphatically recommends this team, he stated that they were best fit for the Authority's needs at this time. Member Bates concurred with Vice Chairman Graveline.

Member Tennenbaum stated he had a concern regarding the size of the team and coordination of activities so it works seamlessly. Also he wanted to know how the team would deal with federal funding sources. He suggested that if they were present that possibly they could address his questions and concerns. Vice Chairman Graveline stated that the size of the team was not an issue with the evaluation team and committee, in-fact it was plus. Max Besler, Partner at Townsend, Raimundo, Besler & Usher, addressed the questions and concerns poised by Member Tennenbaum. He stated that they have managed teams this size for statewide outreach programs. He added that they have the principals from these teams involved and that having this high level of involvement by the principals generates better ideas. The diverse group of people and organizations involved in this program they expect to be involved in the entire process. They have delineated how each firm falls into the order of the way things operate and they have been very thorough in assigning time and responsibilities, and they are all accustomed to working in teams. He stated that his experience shows that you get a better product, for a statewide program, if you have organizations that are the best in their areas and or best in their constituencies. Member Tennenbaum inquired whether this group of teams has worked together before. Mr. Besler responded that his firm had worked with the majority of the firms or the other firms have worked with the other firms, basically they all have worked together in one form or another. Member Tennenbaum asked about the type of reporting system in place to track the activities to assist the Authority in monitoring of the contract. Mr. Besler stated that they will have a weekly status report that is available, also they have proposed a strategy team that would meet weekly or bi-weekly with the designated Authority members or staff to discuss the status of the program and the direction that needs to taken.

Member Tennenbaum inquired about the resources and effort the team brings regarding the federal monies relationship. Mr. Besler stated that both co-teams have had a great deal of experience with the federal process and federal activities. Their transportation experience has given them direct experience working with the federal government. Member Tennenbaum asked what projects the team has done that allowed them to utilize their federal experience and contacts. Mr. Besler stated that they have done 11 transportation sales tax campaigns throughout the state and the Prop 192. Member Tennenbaum asked if the team has had any high speed rail experience. Mr. Besler stated that they did not have any experience with high speed rail.

Member Fowler moved to approve the contract with TRB&U/MTA. Member Morshed seconded the motion. Chairman Jordan stated that two of the Members, Members Epstein and Stapleton, are not in attendance, however Member Stapleton is in agreement with the decision to

award the contract to TRB&U/MTA. Chairman Jordan asked if there was any public comment on this matter.

PUBLIC COMMENT

Richard Silver stated that TRB&U/MTA program appears to promote and advocate and work for the approval of the high-speed rail service as opposed to the reach out to the community to see what the community wanted or needed as it relates to high-speed rail service. If the latter is true than he sees no problem with the awarding of the contract. Chairman Jordan stated that this in-fact was a public outreach program that is aimed at educating the citizens of California about high-speed rail.

Member Morshed stated that the Authority had received a letter from Member Epstein and had talked with him regarding the letter. Member Epstein stated that he wrote the letter to raise some issues he thought needed to be considered in the process, he did state that he supports the decision of the Authority regarding the award of the contract. Member Bates stated that he also had talked to Member Epstein yesterday, and Member Epstein stated that he would support the decision by the Authority. Chairman Jordan stated that the motion was made and seconded to accept the recommendation to award the Public Outreach contract to TRB&U/MTA team as stated in Resolution Number 4-2. Member Florez abstained from voting and the motion was unanimously approved.

DISCUSSIONS AND DECISIONS ON ACTION ITEMS

Chairman Jordan discussed the Cambridge Systematics report presented at the last meeting and the development of resolutions to take action on at the April meeting. He suggested that the Authority act on these resolutions by topic (i.e. Formalizing the Role of the Chair...) if any of the members or public have comment on any of these areas they will be removed from the consent calendar and discussed.

Chairman Jordan suggested, based on the early discussion, the topic of the Role of the Chair be removed and discussed at a later date. Member Tennenbaum motioned, Member Bates seconded, and the motion was unanimously approved.

Chairman Jordan suggested, based on the previous motion that resolutions 4-6 and 4-7 regarding Formalizing the Role of the Executive Director be removed and discussed at a later date. Member Bates motioned, Member Fowler seconded, and the motion was unanimously approved.

Arranging site visits resolutions 4-8, 4-9 and 4-10. Vice Chairman Graveline motioned to accept the resolutions. Member Morshed seconded and the motion was unanimously approved.

FINANCIAL AND LEGAL CONTRACTS:

- **Resolution 4-11:** Member Fowler motioned to accept the resolution. Member Morshed seconded and the motion was unanimously approved.
- **Resolution 4-12:** Member Tennenbaum motioned to accept the resolution. Member Bates seconded and the motion was unanimously approved.

Public Comment:

Dan Macnamara stated that he was concerned that the High-Speed Rail was saying that they were going to get funding from the air and highway programs. As long as HSR stays with its own funding source they will not create enemies.

TECHNICAL STUDY CONTRACTS:

- **Resolution 4-15:** Chairman Jordan introduced Ken Bosanko, Deputy Secretary of Transportation, Business, Transportation, Housing and Agency. Member Tennenbaum asked Mr. Bosanko if there was one organization that was responsible for the coordination of rail, highway and air travel. Mr. Bosanko stated that he was not aware of any one organization that covered the air. However, there are significant organizations that cover the rail and highway programs. He added that the Department of Transportation does have an aeronautics program however that is very limited and deals primarily with local and municipal airports.

Member Tennenbaum stated that part of the commission work stated that a major part of the revenue for high-speed rail would be diverted from air travel and the airports. Experts stated that there would be a limitation on air commuter traffic due to the expansion restraints for airports. The close relationship between high-speed rail project and air travel “cries out” for coordination of effort. Member Tennenbaum suggested that the language on this resolution be broadened out to address coordination with the airports. Member Morshed stated that this is an important issue due to the fact that a major source of ridership will come from the air market. The plan should demonstrate how high-speed rail complements the major airports in the state where they work as a total system. Also the financial connection between the air and high-speed rail needs to be addressed in the development of the RFP for the Financial Plan. Member Morshed added that the Public Outreach team will also have to pay close attention to the airports. Member Tennenbaum stated that everything talks about a comprehensive rail system but the major competition is air, he suggested that the instead of a comprehensive rail system it should be changed to a comprehensive transportation system. Member Morshed stated that although the state does have a Secretary of Transportation that his duties do not include the coordination of air travel, that is a function of the federal and local government. Member Morshed suggested that the plan should include working with the airport operators and planners.

Chairman Jordan suggested the resolution be amended to state the following “...and the development of a comprehensive statewide rail system plan, and including the implications of air passenger transportation needs on the rail plan.” Member Morshed suggested that the following language be also be added to the resolution “...discussions with Caltrans, regional transportation planning agencies, airport operators, and other transportation entities.” Member Tennenbaum stated that a paragraph should be added to include the airport transportation issue. Chairman Jordan suggested the resolution 4-15 be revised and brought back to the Authority for review and approval at the next meeting.

- **Resolutions 4-13, 4-14, 4-16:** Member Morshed suggested that all the language stating Executive Director, when hired should be removed and inserted in its place Interim Executive Director. Chairman Jordan asked for a motion to accept resolutions 4-13, 4-14, 4-16 including the sense of 4-15. Vice Chairman Graveline motioned, Member Tennenbaum seconded and the motion was unanimously approved.

Presentations from Local/Regional Transportation Agencies:

ANDY NASH, SAMTRANS - CALTRAIN

Mr. Nash discussed the current status of the Caltrain. They currently provide express and local service their 34 stations. They have had a growing demand for southbound service thus they have seen an increased balance between the north and south bound commute. Chairman Jordan asked about the fare box as a percentage of cost. Mr. Nash commented that the fare box recovery has increased, they are approximately 40% to 50% of the operating costs. Mr. Nash stated that he is the project manager for the Rapid Rail Study, which is looking at right-of-way between San Jose and San Francisco looking at the types of improvements and prioritizing them in order to run the train faster and more frequently with more customer service reliability. Part of the study is the linkage between the Caltrain system and the San Francisco Airport. Another area the study is looking at is the implementation of electrification, addition tracks and grade separation. Member Fowler stated that he would like to know more about the capital cost of electrification, grade separation, and the three track system. Mr. Nash stated that they are in the process of developing these plans. The grade separation costs have not been determined. The electrification costs run \$1 to \$2 Million dollars a mile depending on what you build. Mr. Nash added they are looking at the total cost of approximately \$280 million dollars, half for the electrification and half for the locomotives. Member Bates asked about the travel time between San Jose and San Francisco. Mr. Nash stated the express train time is an hour and ten to fifteen minutes.

Member Morshed commented that the 50% fare box recovery is very good compared to other commuter rail service. He added that the comparison between the airlines and public transportation; airlines are profit motivated, whereas the public transportation is taking the public's side. Public transportation there is always more demand for service than can be financially supported. Member Morshed stated the major task for the Authority is that they are entering into this public-private venture, and the Authority are going to ask the public for a substantial amount of money for the infrastructure. He stated the Authority needs to devise a system that when it is built that it can essentially work and operate as a private operation. Based on the ridership studies the projected revenues will exceed the operating costs, but if we run it like public transportation we will never get there because there will always be requests for additional services. The high-speed rail system has to be set-up to work as a business venture.

Chairman Jordan asked Mr. Nash how many grade crossings there are between San Jose and San Francisco. Mr. Nash responded there are 46 grade crossings. He stated that part of the Rapid Rail Study was the review of all of the grade crossings to determine which ones could be closed due to under use and for the remaining ones construct grade separations. Chairman Jordan asked how many trains are run south of San Jose to Gilroy. Mr. Nash said they currently run four round trips, eight trains total. Mr. Nash invited the Authority to a guided tour of the right-of-way.

KURT EVANS, SANTA CLARA COUNTY TRANSPORTATION AUTHORITY

Mr. Evans discussed the Santa Clara County Transportation Authority's role in the regional transportation issues. He addressed the current and projected population and job growth in the area and demands that it is taking and will take on the transportation system. He stated that it is high priority to establish transportation choices to commuters. He added that their organization believes that HSR alignment needs to provide direct main line service to the City of San Jose and Santa Clara County. Additionally, High-Speed Rail needs to be effectively tied into the existing public transit system.

STACEY MORTENSON, ALTAMONTER COMMUTER SERVICE

Ms. Mortenson discussed the current status of the Altamonte Commuter Service. She stated that the funding for this project came from multiple sources; state, regional, air district, and various local transportation sales tax programs. The approved pricing structure is in line with the inter-city trip program, the cents per mile is a fraction higher than other commuter lines in hopes of increasing the fare box recovery. They are projecting a 40% fare box recovery by the second year with the hopes of increases in the future. They anticipate being in revenue service by July of this year.

CARY GREEN, SAN JOSE INTERNATIONAL AIRPORT

Mr. Green stated that he is representing Ralph Tonseth Director of San Jose International Airport. He stated that the City of San Jose is in support of HSR assuming there is a station in San Jose on the main line. San Jose International Airport is in the process of completing a nine year master planning update. The airport serves approximately ten million passengers annually. Member Fowler inquired as to how many acres does the San Jose Airport control. Mr. Green stated they have one thousand acres as compared to the San Francisco Airport which has five thousand acres and Oakland with over twenty-five hundred acres. Member Fowler asked what the projected travel demand for 2020 or 2015. Mr. Green stated that their projections go out to 2010, they project the demand at seventeen point six million passengers annually, they have not projected out past 2010 because the capacity could potentially be maxed out and demand would still be growing, therefore a viable high-speed rail system will be a good alternative to air travel in the long term future.

PUBLIC COMMENT:

Joseph Thompson, presented an article entitled "ISTEA Reauthorization and the National Transportation Policy".